

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (E 338-E) for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze Tariffs.	Application 00-11-038 (Filed November 16, 2000)
Emergency Application of Pacific Gas and Electric Company to Adopt a Rate Stabilization Plan. (U 39 E)	Application 00-11-056 (Filed November 22, 2000)
Petition of THE UTILITY REFORM NETWORK for Modification of Resolution E-3527.	Application 00-10-028 (Filed October 17, 2000)

**ASSIGNED COMMISSIONER'S RULING
REVISING THE PROCEDURAL SCHEDULE**

This ruling is to revise the procedural schedule for hearings on the California Department of Water Resources (DWR) revenue allocation. The revision is necessary in view of DWR's impending submission of an updated revenue requirement and the resulting impact on the schedule for DWR to provide answers to previously submitted data requests that were due to be answered on October 21, 2001.

Background

By Assigned Commissioners' Ruling dated September 26, 2001, evidentiary hearings were previously scheduled to address DWR revenue allocation issues. Subsequent discovery was conducted by Pacific Gas & Electric

Company (PG&E) and Southern California Edison Company (SCE) relating to the DWR computer model in anticipation of the revenue allocation hearings.

By email sent to parties on Wednesday, October 10, 2001, DWR stated its commitment to make best efforts to provide written objections and responses by October 19th to the data requests that had previously been submitted by PG&E and SCE. Yet, DWR did not provide responses to the utilities' data requests on October 19th, but instead released a draft update version of its revenue requirement projections.

In an October 19th email, DWR stated that "in light of its release of the draft revised revenue requirement," DWR "does not intend at this time to provide written responses to data requests previously received from SCE and PG&E concerning the CDWR August 7th revenue requirement submission or any further pending questions from the CPUC October 5, 2001 workshop."

DWR held an informational workshop on October 22, 2001 in Sacramento to provide parties an opportunity to ask questions concerning the updated revenue requirement changes. DWR also scheduled a conference call for Wednesday, October 24th to provide interested parties a further opportunity to ask questions concerning the modeling of the updated DWR revenue requirement. DWR plans to submit its updated revenue requirement to the Commission formally on or about November 2, 2001.

In response to DWR's most recent submittal of a revised revenue requirement, The Utility Reform Network (TURN) sent a letter to Assigned Commissioner Brown dated October 19, 2001. In its letter, TURN stated that DWR's new submittal warrants postponement of the deadline for submission of testimony on the allocation of DWR's revenue requirement from October 25 to at least November 13. TURN assumes that DWR will make workpapers available

to support its revised revenue requirement by November 6 (to parties signing the non-disclosure agreement) in equivalent detail to those previously provided during the first week of October. Otherwise, TURN believes that the filing date should be no earlier than one week following the receipt of those DWR workpapers.

Discussion

Given that parties have not yet received answers to their previously submitted data requests and now must also review DWR's newly revised revenue requirement, a revision in the previously adopted schedule is necessary. By email notice dated October 23, 2001, from Administrative Law Judge Pulsifer, parties were informed that the due date for testimony, previously due on October 25, was being postponed, and that a subsequent ruling would set a revised schedule. The revised schedule adopted in today's ruling incorporates DWR's plan to respond to outstanding data requests by November 1,¹ and to submit its updated revenue requirement to the Commission on November 2, 2001. The following schedule revisions are hereby adopted:

Event	Previous Date	Revised Date
DWR Response to Data Requests		November 1
Revised DWR Submission	- - -	November 2
Supporting DWR Workpapers	- - -	November 2
Testimony and Written Comments Due	October 25	November 7
Prehearing Conference (10:00 a.m.)	October 30	November 9
Evidentiary Hearings (9:00 a.m.)	November 2 - 8	November 13 - 16; 19 - 20
Concurrent Briefs	November 15	November 27

¹ In an email to parties dated October 24, 2001, DWR stated that it would attempt to respond to outstanding data requests by November 1.

The need for DWR to respond to parties' previously submitted data requests has not diminished merely because a revision of the revenue requirement forecast has been submitted. The disposition of the utilities' outstanding data requests was raised at DWR's October 22 informational workshop on the revised revenue requirement. During the workshop, a PG&E representative stated that the DWR update provides "some information" related to its data requests, but does not answer all of the questions that PG&E submitted. DWR's representative responded that "a lot of time was not taken to respond to the detail" of the data requests that related to the previous August 7th filing, because DWR was going to be updating those numbers anyway. DWR's representative stated that DWR was prepared to answer "those questions that [PG&E feels] are appropriate," but asked for any remaining unanswered questions to be resubmitted in writing, to be answered as they pertain to the most recently updated filing. (*See DWR Workshop Transcript, pages 58-59.*)

In an email to parties dated October 24, 2001, DWR further stated that it did not believe it would be helpful to parties to answer questions that relate to its prior August 7th revenue requirement submittal. Yet, parties are still entitled to answers their previously asked questions, although DWR's responses need to be framed in the context of its most recently updated revenue requirement submittal. For example, if the intent of a party's question was to understand DWR's underlying methodology, assumptions, or treatment of given cost element or economic variable, the question remains relevant in the context of the updated revenue requirement that has now been provided. Moreover, to the extent that parties' prior questions relate to revenue allocation methodologies, those questions are not necessarily dependent on specific updateings of revenue requirement numbers. These questions still require an answer from DWR.

DWR is therefore expected to provide answers to the prior data requests that were propounded. If DWR believes that the underlying issue raised by a given question has been resolved or rendered moot by its updated revenue requirement, DWR should so indicate how the updated information resolves the question or renders it moot. Where the answer to a question is already contained in the draft update submittal that DWR has provided, DWR should cite a specific reference to locate where the answer may be found.

A particular question may relate to a given cost category or input assumption within DWR's August 7th submittal. In giving a response, DWR should make reference to the relevant numbers in its most recent update, rather than referencing outdated numbers from its August 7th filing. If DWR has changed both its methodology as well as providing more recent data, DWR should so explain in providing its response. DWR should not, however, simply refuse to answer any questions that were propounded prior to its latest revised update because they incidentally referenced costs that have since been updated.

DWR has expressed its intention to formally submit its revised revenue requirement to the Commission on or about November 2, 2001. DWR should concurrently provide supporting workpapers for its revised revenue requirements (to those parties that have signed the nondisclosure agreement) providing the same level of detail as those previously provided during the first week of October.

Written Comments on DWR Updated Revenue Requirement

Parties will also be provided the opportunity to file comments on the DWR update to the revenue requirement. DWR is expected to formally submit its update to the Commission on November 2. Parties' due date for filing written comments with the Commission on the DWR revenue requirement update shall

be November 7. The scope of written comments should be limited to issues relating to the aggregate DWR revenue requirement. Issues relating to the allocation of revenue requirement among customers of PG&E, SCE, and SDG&E should be separately addressed in prepared testimony. The evidentiary hearings will be limited to revenue allocation issues. Parties' written comments on the aggregate revenue requirement will be part of the formal record in the proceeding, but will not be the subject of evidentiary hearings.

IT IS RULED that:

1. The schedule for this proceeding is revised, as set forth above.
2. DWR is directed to produce responses to the utilities' previously submitted outstanding data requests, including those submitted prior to its October 19th update or else provide specific objections explaining the basis for declining to answer particular questions by November 1, 2001.
3. To the extent responsive information from the August 7th filing to a particular question has been superseded by new information in DWR's revised revenue requirement submittal, DWR is directed to make reference to its most recently updated revenue requirement data submitted in providing its responses to particular questions, as applicable.
4. DWR is directed to concurrently provide workpapers (to parties that have signed the non-disclosure agreement) with its formal updated submission to the Commission supporting the updated revenue requirements. The workpapers should provide equivalent detail to those previously provided during the first week of October.

Dated October 26, 2001, at San Francisco, California.

/s/ Geoffrey F. Brown
Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Revising the Procedural Schedule on all parties of record in this proceeding or their attorneys of record.

Dated October 26, 2001, at San Francisco, California.

/s/ Antonina V. Swansen

Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.